

Record of officer decision

Decision title:	Award of professional services contract to undertake detailed design of the Holme Lacy Road Active Travel Measures (ATM's)
Date of decision:	21 October 2021
Decision maker:	Director for Economy and Place
Authority for delegated decision:	<p>Funding for this work is covered by the following decision:</p> <p>A cabinet member decision taken on 15 August 2019 (Phase 5 budget for the HEZ infrastructure project) gives the Director of Economy and Place the authority to implement interventions relating to this work. The full report and decision notice (Enterprise Zone Capital Interventions Phase 5) can be found here (http://councillors.herefordshire.gov.uk/ieDecisionDetails.aspx?Id=6182)</p>
Ward:	Dinedor Hill, Hinton & Hunderton, Redhill & Saxon Gate
Consultation:	<p>Work falls under the Phase 5 budget for Hereford Enterprise Zone (HEZ) infrastructure decision (as above) which gives the Director of Economy and Place the authority to implement the decision, as confirmed by Governance. The tender process has been carried out in consultation with Commercial Services to ensure that the council's contract procedure rules are followed correctly.</p> <p>Consultation has taken place with Finance, Legal and the S151 Officer.</p>
Decision made:	To award a professional services contract to Price & Myers LLP for the design of Holme Lacy Road active travel improvements. The quoted cost for delivery of the works is £84,706.25. An additional £30,000 contingency is also needed to allow for any modifications/additions to the brief and accommodate identified risks (to be managed through the project risk register). The total amount required to implement this decision is therefore £114,706.25.
Reasons for decision:	<p>The HEZ and the council are looking to maximise active travel in and out of the Rotherwas area; creating and supporting the implementation of a specific Rotherwas Travel Plan. As investment and employment growth continues, it is vital that the HEZ works within the Local Development Order (LDO) traffic cap, minimising the impact of new development on peak time traffic through encouraging continued uptake of cycling, walking and other ATM's.</p> <p>The Funding Agreement (relating to HEZ activities) between the council and Marches LEP (dated 23 October 2020 and varied by way of Deed of Variation on 26 March 2021) includes milestones for the design and installation of a series of measures that implement the Rotherwas Travel Plan and provide ways for people to access the HEZ more sustainably. The appointment of Price & Myers LLP supports this outcome, and will use identified match funding (i.e. - HEZ Phase 5 funds) to implement the decision.</p> <p>The project was advertised via open tender using pro-contract. Eight compliant tenders were received and evaluated according to cost and quality by three individual officers. A moderation session was held with a member of the Commercial Services team to agree final scoring.</p> <p>Price & Myers LLP scored highest with a tender price of £84,706.25. This price was significantly less than the next lowest tender at £133,000, raising concerns that insufficient time had been allowed to deliver the works. Following further advice from legal and commercial services, clarification was sought from Price & Myers LLP under Regulation 69 of the Public Contracts Regulations 2015 relating to</p>

	<p>abnormally low tenders. Price & Myers LLP confirmed that sufficient time had been allowed to deliver the scope as laid out in its entirety, for the price quoted. Price & Myers LLP also provided a reference from another project which was delivered significantly below market value. This reference was followed up to confirm that Price & Myers had performed to the required standard in the work undertaken.</p> <p>On this basis, Price & Myers LLP have been identified as the preferred supplier to deliver this work.</p>
Highlight any associated risks/finance/legal/equality considerations:	<p><i>Risks</i> A risk remains that Price & Myers LLP have allowed insufficient time or cost in to complete the works. This has been mitigated as far as possible through enquiries at the tender evaluation stage. In addition, the contract is to be awarded under an NEC 4 Option A lump sum contract. On this basis, an increase in costs will only be applicable for specific events detailed in the contract documents.</p> <p><i>Financial</i> The value of the professional services contract will be £84,706.25, which is significantly less than the £185,000 budget detailed in the invitation to tender documents. A £30,000 contingency has been identified to allow for any additions/modifications to the brief.</p> <p>Phase 5 HEZ funds and transport capital budgets have been identified as potential funding sources for the construction phase. Overall construction costs however will not be known until the design stage is more advanced.</p> <p><i>Legal:</i> The contract is to be awarded under an NEC 4 Option A professional services contract. The contract documentation and HC specific clauses have been reviewed and developed in conjunction with Legal Services.</p>
Details of any alternative options considered and rejected:	<p>Not to progress with the scheme. This is not recommended as this will not achieve the mode shift to active travel and further delay development of ATM's along Home Lacy Road. The wider benefits to the Enterprise Zone would not be realised with future development likely to be restricted.</p> <p>To exclude the return from Price & Myers LLP on the basis of concerns over the abnormally low price. This is not recommended as the requested clarifications in this regard were received from Price & Myers.</p>
Details of any declarations of interest made:	None

I am an officer delegated to make the decision

Signed:

Print Name: Neil Taylor

Job Title: Director for Economy and Place